

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Same-Sex Marriage Document Processing Instructions – State Dental Program	REFERENCE NUMBER: 2008-017
DATE ISSUED: 06/13/08	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transactions Supervisors
Personnel Transactions Staff**

FROM: Department of Personnel Administration
Benefits Division

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Based on a recent California Supreme Court decision legalizing same-sex marriages in the state, this PML will provide departments with information regarding the impact on the State's Dental Program. Effective June 16, 2008, departments will be required to accept any valid marriage certificate issued in the State of California. The certificate is used to confirm marital status in order to enroll an eligible spouse in State dental coverage.

Affidavit for All Employees – Gender Verification of Married Persons and Notice of Imputed Tax (DPA 880)

Because the Federal Government does not recognize same-sex marriage for tax purposes, the value of the additional benefits received by a same-sex marriage is required to be added to an employee's taxable gross income. The tax liability is an "imputed value" based on the difference between the one and two-party dental premiums (party rate one premium is used as the baseline and the spouse in a same-sex marriage is treated as the first addition to the employee's coverage). However, if the spouse in a same-sex marriage qualifies as a dependent for tax reporting requirements under the Internal Revenue Code, the value of the additional benefits will be exempt from the imputed tax upon certification from the employee.

Because it's necessary to determine whether a marriage is a same-sex or opposite-sex marriage for the purpose of the imputed taxation, we have provided departments with a new gender verification affidavit. The DPA 880 form is required to be completed and signed by all employees and submitted to the employee's personnel office with the completed Dental Plan Enrollment Authorization (STD. 692), when adding a spouse to an employee's dental coverage. The personnel office should review the form for completeness and sign and date the form in the section "For Employing Agency Use Only" at the bottom of the form. A photocopy of the signed affidavit should be given to the employee. The DPA 880 form is available and can be downloaded from DPA's Web site at www.dpa.ca.gov, in the forms directory.

Note: Do not send the DPA 880 form to SCO. Maintain the original form in the employee's personnel file.

Instructions for Completing the Dental Plan Enrollment Authorization (STD. 692) for Same-Sex Marriages.

Permitting Event Code:	17a	if spouse is added to a one party enrollment
	21a	if spouse is added to a two-party enrollment
Permitting Event Date:	Date of Marriage	
Effective Date:	1st of the month following the STD. 692 received in the employing office (as shown on the STD. 692)	
Party Code:	"A" (for party code 2) or "B" (for party code 3) except if the economic dependent portion of DPA 880 is completed, then use party code 2 or 3	

Note: if an employee is already enrolled with a party code 3, then the party code must be changed to B, except if the economic dependent portion of DPA 880 is completed.

Send the completed STD. 692 to SCO Benefits Unit for processing.

Affidavit for Domestic Partners Being Claimed As Economic Dependent (DPA 680)

There are no changes to the processes for domestic partners. The value of the additional benefits received by a domestic partner will be added to an employee's taxable income. However, as a reminder, the Affidavit for Domestic Partners Being Claimed as Economic Dependents (DPA 680 rev. 12-2002) form must be completed for employees who enroll domestic partners as dependents meeting the tax reporting requirements on their State dental plan. Additionally, if an employee terminates their domestic partnership and then enters into a same-sex marriage, the marriage will not terminate their imputed taxation requirement.

Do not send the DPA 680 form to SCO. A photocopy of the signed affidavit should be given to the employee. Maintain the original form in the employee's personnel file. This is a change from previously provided instructions that directed the personnel office to send the form to SCO.

For more information regarding the purpose of the DPA 680 you should refer to the Benefits Administration Manual (BAM) Dental Section 500.

Vision Program

The premium paid for active employees vision coverage is fully paid by the State. Therefore, at this time the recent California Supreme Court decision legalizing same-sex marriages in the state, does not require any additional special processing for the State's vision coverage.

FlexElect Program Medical Reimbursement Account

Under the State's FlexElect Medical Reimbursement Account (also known as a Flexible Spending Account (FSA)), current federal tax law does not include a spouse in a same-sex marriage in the definition of a dependent. This means that employees who enroll in a medical reimbursement account are unable to claim reimbursement of medical expenses for a spouse in a same-sex marriage, unless the spouse otherwise qualifies as a dependent under Internal Revenue Code Section 152. Therefore, the recent California Supreme Court decision, that legalized same-sex marriage in the state, does not amend or modify federal law which does not allow the ability to claim medical expenses through a FSA for a spouse in a same-sex marriage. Federal law does not recognize any type of relationship for same-sex couples, including domestic partnerships and same-sex marriages.

If you have any questions regarding this information, you may call Bryan Bruno, Staff Personnel Program Analyst, at (916) 445-9841.

/s/ Greg Beatty

Greg Beatty
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